

Message Text

CONFIDENTIAL

PAGE 01 SAIGON 11326 01 OF 02 281234Z

41

ACTION EA-14

INFO OCT-01 AID-20 EB-11 PM-07 INR-11 IO-14 L-03 NSAE-00

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FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 8212

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS UNN

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBAYENZAUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY STOCKHOLM

CONFIDENTIAL

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PAGE 02 SAIGON 11326 01 OF 02 281234Z

AMEMBASSY VIENTIANE

AMEMBASSY MOSCOW
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 2 SAIGON 11326

EO 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR AUGUST 22-24, 1974

BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD FOR USAJFKCMA ATTN: ATCS-WL-DSA

THE WEEK IN SUMMARY

THE CEASEFIRE

BUDDHIST FORCES CAMPAIGN FOR PEACE

CURRENT POLITICAL ACTIVITY REFLECTS EARLY PRE-ELECTION
CONSIDERATIONS

ANOTHER SELF-IMMOLATION IN SAIGON

GVN PROTESTS SWEDISH UPGRADING OF "PRG" OFFICE

GVN PROTESTS COMMUNIST MILITARY ACTIVITIES

VIETNAM FINDS OIL

EXCHANGE RATE CHANGE

PRICES STABLE

BLACK MARKET RATE MOVES TO DISCOUNT

I. INTERNAL

A. THE CEASEFIRE

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PAGE 03 SAIGON 11326 01 OF 02 281234Z

THE TOTAL NUMBER OF INCIDENTS IN VIETNAM DROPPED OFF THIS
WEEK THOUGH THE TEMPO OF FIGHTING REMAINED FIARLY HIGH. THE
FOCUS OF SIGNIFICATN ACTION FELL IN MR-1 AND MR-3, WHILE THE
NUMBER OF INCIDENTS IN MR-2 AND MR-4 DROPPED OFF. THE INCIDENCE
OF VIOLATIONS IN MR-1 REMAINED HIGH, AS DID CASUALTIES ON BOTH
SIDES. ACTION NORTH OF THE HAI VAN PASS REMAINED GENERALLY
QUIET, THOUGH ACTIVITY IN THUA THIEN PROVINCE INCREASED
SLIGHTLY. COMMUNIST EFFORTS TO INTERDICT THE DANANG-HUE RAIL-

ROAD WERE SUCCESSFUL AND IT WAS CLOSED AT THE END OF THE REPORTING PERIOD. SOUTH OF THE HAI VAN PASS, FIGHTING IN QUANG NAM PROVINCE DROPPED OFF SLIGHTLY. THE COMMUNISTS SCORED MORE GAINS IN QUANG NGAI PROVINCE, MOVING ON FROM CAPTURED MINH LONG DISTRICT TOWN TO OVERRUN SEVERAL ARVN POSITIONS NORTH OF THE CITY.

IN MR-2, THE LEVEL OF ACTIVITY DROPPED OFF THIS WEEK, THOUGH GVN CASUALTIES REMAINED ON A PAR WITH THOSE OF LAST WEEK. COMMUNIST LOSSES WERE UP SLIGHTLY. THE HEAVIEST ACTION WAS IN BINH DINH PROVINCE. COMMUNIST ABFS AND GROUND PROBES AGAINST PLEI ME CAMP IN PLEIKU PROVINCE CONTINUE.

IN MR-3 ACTIVITY REACHED ITS HIGHEST LEVEL SINCE THE JUNE 1973 JOINT COMMUNIQUE. ACTIVITY IN TAY NINH PROVINCE REMAINED HIGH AS GVN FORCES DEPLOYED TO DEFEND BEN SOI OUTPOST FOLLOWING THE FALL OF TWO OTHER OUTPOSTS ON LTL 13. HEAVY COMMUNIST PRESSURE IN BIEN HOA PROVINCE CONTINUED WITH GROUND ASSAULTS AND ABFS IN TAN UYEN AND CONG THANH DISTRICTS, AS WELL AS CONTINUED ROCKET ATTACKS ON BIEN HOA AIR BASE. IN BINH DUONG PROVINCE ACTIVITY WAS REPORTED HEAVY NEAR BEN CAT AND THE LOWER PART OF THE IRON TRIANGLE.

IN THE DELTA, ACTIVITY DROPPED OFF FROM LAST WEEK'S HIGH POINT, WITH CORRESPONDING REDUCTIONS IN CASUALTIES ON BOTH SIDES. ACTIVITY REMAINED HIGH, HOWEVER, IN KIEN PHONG AND VINH LONG PROVINCES, WHICH HAD ITS MOST ACTIVE WEEK THIS YEAR, AS NVA/VC FORCES CONSOLIDATED THEIR HOLD ON THE VINH LONG/VINH BINH BORDER AREA, OVERRUNNING A NUMBER OF GVN POSITIONS. COMMUNIST FORCES ALSO TOOK SEVERAL OUTPOSTS IN KIEN TUONG AND DINH TUONG PROVINCES. ACTIVITY IN THE SOUTHERN DELTA PROVINCES WAS FAIRLY LOW-KEYED.

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PAGE 04 SAIGON 11326 01 OF 02 281234Z

THE DEADLOCK WITHIN ICCS OVER THE POWERS OF THE DIRECTOR GENERAL OF THE SECRETARIAT CONTINUES, AND THE IRANIANS HAVE DECLINE TO NOMINATE A SUCCESSOR PENDING RESOLUTION OF THE PROBLEM. THE COMMUNIST BOYCOTT OF THE FPJMT AND TPJMC CONTINUES. THE RVNDEL FPJMT INFORMED THE USDEL THAT THEY WERE CONSIDERING SUSPENDING THEIR APPEARANCE AT THE MEETINGS UNTIL THE DRV/PRG GAVE SOME SIGN OF ENDING THE BOYCOTT. THE DID ATTEND THE AUGUST 27 MEETING.

B. BUDDHIST FORCES CAMPAIGN FOR PEACE

BUDDHIST MARTYR DAY, AUG 20, WAS CELEBRATED AT AN QUANG PAGODA, SAIGON WITH AN APPEAL FOR PEACE FROM THE SUPREME PATRIARCH OF THE VN BUDDHIST CHURCH, VENERABLE GIAC NHUEN. THE SUPREME PATRIARCH CALLED ON THE CONFLICTING SIDES TO

DISPLAY A SPIRIT OF RECONCILIATION AND TO TRY TO BREAK THE DEADLOCK AT THE POLITICAL AND MILITARY CONFERENCES IN ORDER TO RECONCILE ALL DIFFERENCES OF VIEW AND TO IMPLEMENT THE PARIS AGREEMENT.

A NUMBER OF POLITICAL FIGURES INCLUDING GENERAL DUONG VAN MINH, MRS NGO BA THANH, SENATOR VU VAN MAU, AND DEPUTY PHAN XUAN HUY ATTENDED THE CEREMONY.

THE VIETNAM BUDDHIST CHURCH WILL BE REPRESENTED AT THE SECOND WORLD RELIGIOUS CONVENTION, TO BE HELD IN BRUSSELS AUG 28 TO SEPT 3, 1974, BUT VENERABLE THIEN MINH AND HUYEN QUANG. WHILE THE VENERABLES' INTENTIONS IN BRUSSELS ARE NOT KNOWN, BOTH ARE MEMBERS OF THE MORE MODERATE FACTION OF THE AN QUANG BUDDHISTS. REPORTEDLY, THE VENERABLES WILL BE CARRYING COPIES OF THE PATRIARCH'S PEACE APPEAL FOR DISTRIBUTION TO THE CONFERENCE.

FOLLOWING AUG 20, BUDDHIST CHURCH LEADERS MET WITH BUDDHIST PARLIAMENTARIANS TO DRAW UP A PLAN OF ACTION WHICH IS REPORTEDLY BEING PREPARED FOR PUBLIC PRESENTATION ON ALL SOULS' DAY, SEPT 1.

C. CURRENT POLITICAL ACTIVITY REFLECTS EARLY PRE-ELECTION CONSIDERATIONS

CONFIDENTIAL

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PAGE 05 SAIGON 11326 01 OF 02 281234Z

DURING THE PAST WEEK THERE HAS BEEN CONSIDERABLE SPECULATION IN THE LOCAL PRESS AND FROM EMB CONTACTS OF THE POSSIBLE AMENDMENT OF DL 007/72, THE CURRENT PRESS CODE AND OF DL 060/72, GOVERNING POLITICAL PARTY ACTIVITIES. SPECIFICALLY, IT HAS BEEN REPORTED IN THE PRESS THAT THE SYSTEM OF SECURITY DEPOSITS, \$VN20 MILLION OF EACH DAILY NEWSPAPER, WOULD BE REDUCED OR ELIMINATED. THERE ARE SOME INDICATIONS THAT THE POLITICAL PARTIES STATUTE WILL BE MODIFIED BUT NO DETAILS ARE YET AVAILABLE.

ALSO GENERATING INTEREST IS THE NATIONAL ASSEMBLY ELECTION TO BE HELD SEPT 23 OF NINE JUSTICES OF THE SUPREME COURT FOR THE TERM 1974-80. ATTENTION HAS BEEN FOCUSED IN BOTH PRESS REPORTS AND IN PRIVATE CONVERSATIONS WITH LEGISLATORS ON THE ROLE THAT THE SUPREME COURT WILL PLAY IN VALIDATING THE WINNER OF THE PRESIDENTIAL ELECTION NEXT YEAR.

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PAGE 01 SAIGON 11326 02 OF 02 281259Z

42

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INFO OCT-01 AID-20 EB-11 PM-07 INR-11 IO-14 L-03 NSAE-00

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ISO-00 SSO-00 INRE-00 /117 W

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AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS UNN

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY MANILA

AMEMBASSY STOCKHOLM

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PAGE 02 SAIGON 11326 02 OF 02 281259Z

AMEMBASSY VIENTIANE
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C O N F I D E N T I A L SECTION 2 OF 2 SAIGON 11326

BANGKOK ALSO PASS OSA; DEPT ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD FOR USAJFKCMA ATTN: ATCS-WL-DSA

D. ANOTHER SELF-IMMOLATION IN SAIGON

FOR THE SECOND TIME IN AS MANY WEEKS, A DISABLED RVNAF VETERAN COMMITTED SUCICIDE BY SELF-IMMOLATION. THIS IS THE THRID SUCH DEMONSTRATION IN THE PAST SEVEN WEEKS. TWENTY-YEAR OLD CORPORAL LE QUANG DO LEFT SEVERAL LETTERS IN A NOTE-BOOK NEAR THE IMMOLATION SITE AT PASTEUR-THONG NHAT PARK CLOSE TO THE SAIGON BASILICA AND THE PRESIDENTIAL PALACE. DO'S FAREWELL MESSAGES DENOUNCED COMMUNIST AGGRESSION IN VIETNAM AND EXPRESSED SUPPORT FOR PRES THIEU'S EFFORTS TO BRING PEACE TO VIETNAM.

GVN SPOKESMAN DESCRIBED DO'S DEATH AS "AN EXAMPLE FOR THOSE WHO, ALWAYS SITTING IN AIR-CONDITIONED ROOMS, HAD NEVER MADE ANY CONTRIBUTION TO PEACE BUT HAD ALWAYS CALLED FOR IT". PRESUMABLY WITH THE THOUGHT THAT THERE HAVE BEEN ENOUGH SUCH "EXAMPLES", THE SPOKESMAN ADDED THAT THE POLICE HAVE BEEN INSTRUCTED TO DO THEIR UTMOST TO SAVE ANY FUTURE SELF-IMMOLATOR. DURING THE PAST SEVERAL WEEKS FOLLOWING THE SELF-IMMOLATION OF VETERANS BUU PHUNG AND PHAM VAN LUA, THE GOVT HAD GIVEN EXTENSIVE PUBLICITY THROUGHOUT THE COUNTRY TO THEIR SACRIFICES.

II. EXTERNAL

A. GVN PROTESTS SWEDISH UPGRADING OF "PRG" OFFICE

THE SWEDISH FONMIN ANNOUNCED AUG 22 THAT GOS HAD DECIDED TO UPGRADE THE TITLE OF THE "PRG" INFORMATION OFFICE IN STOCKHOLM TO "PRG GENERAL DELEGATION IN SWEDEN". THE GVN MFA REACTED AUG 24 WITH A STRONG STATEMENT OF PROTEST, TERMING THE MOVE AN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SAIGON 11326 02 OF 02 281259Z

"UNFRIENDLY ACT", "BLATANT INTERFERENCE IN THE INTERNAL AFFAIRS OF SVN", CONTRARY TO THE PARIS AGREEMENT AND THE RIGHT OF SELF-DETERMINATION OF THE PEOPLE OF SVN, AND AN ENCOURAGEMENT TO THE COMMUNISTSNN THEIR CURRENT PATH OF VIOLENCE. MAENWHILE, SWEDISH MIN OF STATE KACKENBERG SIGNED AN AID AGREEMENT WITH THE "PRG" DURING A VISIT TO THE "LIBERATED ZONE" OF SVN AUG 16-H K ING WHICH HE MET "PRRAMHCONNVZIBUNH.

LLFM GVN PRM

WAZO COMMUNIST MILITARY ACTIVITIES

THE GVN AUG 23 ISSUED A NOTE TO THE PARTIES TO THE ACT OF THE INTERNATIONAL CONFERENCE ON VIETNAM PROTESTING THE RECENT COMMUNIST STEP-UP IN MILITARY ACTIVITIES WHICH HAD RESULTED IN THE FALL OF TWO DISTRICT TOWNS. THE NOTE DECLARED THAT THESE ATTACKS SHOWED THE HANOI ADMINISTRATION WAS COMMITTED TO THE USE OF FORCE IN ITS ATTEMPT TO TAKE OVER SVN, AND APPEALED TO THE PARTIES TO ENSURE THAT HANOI CEASE ITS BELLIGERENT ACTS AND RESUME NEGOTS BOTH AT THE POLITICAL TALKS IN PARIS AND IN THE TWO-PARTY JOINT MILITARY COMMISSION IN SAIGON.

END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

A. VIETNAM FINDS OIL

AT A PRESS CONFERENCE HELD AT 1:00PM, AUG 28, MIN OF TRADE AND INDUSTRY CUONG ANNOUNCED THAT THE JOINT VENTURE DRILLING RIG OPERATED BY CITIES SERVICE AND PECTEN, VIETNAM (SHELL 7.S.) THE EVENING OF AUG 25 REACHED A DEPTH OF 4,500 FEET AND FOUND OIL. AT THAT DEPTH, ROCK SAMPLES INDICATED THE PRESENCE OF A GOOD QUALITY LIGHT CRUDE. THERE IS STILL NO INDICATION OF THE COMPOSITION OF THE FIND AS BETWEEN GAS AND OIL, OR OF WHETHER THE QUANTITIES ARE COMMERCIALY EXPLOITABLE.

B. EXCHANGE RATE CHANGE

EFFECTIVE AUG 23 THE OFFICIAL RATE OF EXCHANGE WAS DEVALUED BY 2.3 PERCENT OT 655 PIASTERS TO THE DOLLAR. THIS WAS CONFIDENTIAL

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PAGE 04 SAIGON 11326 02 OF 02 281259Z

THE EIGHTH EXCHANGE RATE CHANGE OF THE YEAR B DZGKZG THE DEVALUATION FOR 1974 TO DATE TO 19.1 PERCENT. THE CIP REBATE REMAINS AT 60 PIASTERS.

C. PRICES STABLE

PRICES REMAINED VIRTUALLY UNCHANGED FOR THE SECOND CONSECUTIVE WEEK. DECLINES OF 5 AND 7 PERCENT IN FISH AND SHRIMP WERE OFFSET BY SCATTERED INCREASES IN VEGETABLES, AS THE FOOD PORTION OF THE USAID CONSUMER PRICE INDEX ROSE 0.2 PERCENT. NON-FOOD PRICES WERE UNCHANGED AND THE OVER-ALL INDEX REGISTERED AN ADVANCE OF 0.2 PERCENT. THE OVER-ALL INDEX IS UP 35 PERCENT FOR THE YEAR TO-DATE AND 59.2 PERCENT FOR THE PAST 12 MONTHS. THE 12-

MONTH INCREASE IS THE LOWEST SUCH READING SINCE DECEMBER 1973.

D. BLACK MARKET RATE MOVES TO DISCOUNT

BLACK MARKET RATES EDGED HIGHER, TO 643 AND 648 FOR \$10
AND \$100 GREEN, RESPECTIVELY. BOTH QUOTATIONS REPRESENTED
DISCOUNTS FROM THE NEWLY ESTABLISHED OFFICIAL RATE OF 655:1. THE
GOLD PRICE EDGED SLIGHTLY HIGHER IN PIASTER TERMS, BUT WAS LOWER
IN DOLLAR EQUIVALENT TERMS: \$1.376 AND OUNCE AS COMPARED WITH
\$1.400 THE PREVIOUS WEEK.
LEHMANN

NOTE BY OC/T: MESSAGE AS RECEIVED.

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